

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 L-03 SS-20 NSC-07

PRS-01 DRC-01 /089 W

----- 013332

R 031210Z JUN 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 9522

LIMITED OFFICIAL USE BELGRADE 2645

E.O. 11652: N/A

TAGS: ETRN, YO

SUBJ: CIVAIR: FOREIGN GOVERNMENT SUBSIDIES TO AIRLINES

REF: STATE 79306

1. AIRLINE SOURCE HERE WITH CLOSE CONNECTIONS WITH JUGOSLOVENSKI AEROTRASNPOT (JAT) HAS TOLD US THAT JAT AND OTHER YUGOSLAV AIRLINES (INEX-ADRIA, PAN-ADRIA, AVIOGENEX) RECEIVES VARIETY OF DIRECT AND INDIRECT SUBSIDIES.
2. UNDER DIRECT FEDERAL GOVERNMENT ASSISTANCE SUBSIDY, JAT AND OTHER AIRLINES EXCUSED FROM 20 PERCENT CUSTOMS DUTY ON IMPORTED AIRCRAFT AND SPARE PARTS (ALMOST EXCLUSIVELY AMERICAN). ADDITIONAL 10 PERCENT IMPORT SURTAX ALSO EXCUSED. JAT HAS ALSO REPORTEDLY BENEFITTED FROM CONCESSIONARY LONG-TERM FEDERAL GOVERNMENT LOANS.
3. JAT ALSO REPORTEDLY RECEIVES DIRECT SUBSIDIES FROM DOMESTIC MUNICIPALITIES IT SERVES IN THOSE CASES WHERE TRAFFIC WOULD NOT OTHERWISE JUSTIFY SERVICE.
4. ON LANDING FEES AND AIRPORT CHARGES, JAT AND OTHER YUGOSLAV CARRIERS PAY CONSIDERABLY LESS THAN FOREIGN-FLAG CARRIERS.

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5. ON FUEL COSTS, JAT IS REPORTEDLY NEGOTIATING WITH THE FEDERAL

GOVERNMENT FOR SUBSIDIES TO MEET RISING AVIATION FUEL COSTS.
ACCORDING TO OUR SOURCE, NO REPEAT NO DECISION HAS BEEN REACHED
ON THIS AS YET.

6. NO ADDITIONAL INFORMATION READILY AVAILABLE. JOHNSON

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Message Attributes

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